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December 26, 2001

Mr. Christian Huntley
Compliance Officer
California Energy Commission
1516 Ninth Street, MS 3000
Sacramento, CA 95814-5512

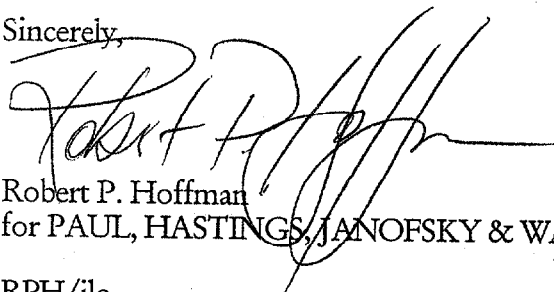
Re: Pegasus Power Partners Certification

Dear Mr. Huntley:

This letter is to confirm that, due to circumstances beyond its control, Pegasus Power Partners, LLC (Pegasus) has terminated the Chino Power Project. Please withdraw Pegasus' Petition to Amend its Commission Certification. As we have discussed, no permanent improvements have been made to the project site and no electrical generation or transmission facilities have been constructed. Pegasus is also terminating its Ground Lease with the Department of General Services.

We look forward to working with you to ensure that the project site is returned to a condition approximating its status prior to the issuance of the Commission's Certification.

Sincerely,



Robert P. Hoffman
for PAUL, HASTINGS, JANOFSKY & WALKER LLP

RPH/jlc

cc: Shakil Rahman, Delta Power Company, LLC
Zachary Walton, Paul Hastings Janofsky & Walker LLP

